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ABSTRACT

An emerging hypothesis about black progress since the civil rights movement in the United States postulates that economic polarization is occurring in the black community. This hypothesis, which incorporates conflicting earlier theories of declining versus persistent racial differences, suggests that talented and well-educated blacks are competing successfully with whites, while other blacks are falling further behind both whites and successful blacks, and that the gap between those at the top and those at the bottom of the economic structure is widening. To test the polarization hypothesis, socioeconomic data on blacks and whites were analyzed. The analysis produced mixed results. Data on occupational prestige distributions and proportions of labor force nonparticipants suggested that polarization may be occurring. On the other hand, data on educational attainment distributions and earnings/employment returns to education indicated that the black community is becoming more homogeneous. Analysis of family income according to degree of concentration among income groups refuted the polarization hypothesis, while findings of a widening dollar gap between rich and poor supported the hypothesis. Finally, data on economic differentials by type of family clearly supported the hypothesis of polarization. (Author/MJL)

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SOCIAL AND ECONOMIC POLARIZATION: IS IT OCCURRING AMONG BLACKS?

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ABSTRACT

In recent years, economists, sociologists and policymakers have argued about racial progress in the United States. Some contend that racial discrimination has been eliminated, that the significance of race has declined. Others point to the persistence of substantial racial differences and suggest that little progress was made during the 1970s. One hypothesis, which incorporates both of these perspectives about race, is that economic polarization is occurring within the black community. That is, talented and well educated blacks are seen as competing successfully with whites while other blacks are viewed as falling further behind both whites and successful blacks. This "underclass" is presumed to live within central city ghettos where opportunities for educational or occupational advancement are restricted. The gap between those at the top and the bottom of the economic ladder is seen as widening.

Demographic data about income, poverty, employment, educational attainment and occupational achievement are used to test the polarization hypothesis. The evidence concerning economic differences within the black community is mixed: Occupational prestige distributions and proportions out of the labor force suggest that polarization may be occurring. On the other hand, educational attainment distributions and earnings and employment returns to educational attainment among black males suggest that the black community is becoming more homogenous, not more polarized. Family income distributions are particularly ambiguous: The Gini coefficient of income concentration does not support the notion of polarization whereas the absolute dollar gap separating families at the first and third quartiles has widened. The one aspect of the thesis which is most clearly supported by an analysis of poverty and per capita income figures is that economic differentials by type of family have increased considerably in recent years.

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INTRODUCTION

Although many of the processes of change started earlier, a major civil rights revolution in the United States culminated during the 1960s. The civil rights movement expanded to include a much broader spectrum of the black population as southern students challenged the policies which kept them away from lunch counters and blue collar workers refused to sit in the rear of the bus. Dr. Martin Luther King became the nation's most effective black leader and convinced skeptical whites of the ligitimacy of the civil rights claims of blacks. Presidents Kennedy and Johnson advocated and Congress then enacted the most encompassing civil rights legislation since the Reconstruction Era. These laws outlawed much discrimination, put the Justice Department on the side of plaintiffs in civil rights litigation, allowed blacks to vote throughout the South and sought to ensure equal opportunities in the housing market.

Federal courts responded by first approving the new legislation and then by striking down many seemingly neutral practices which had the consequence of keeping blacks and whites in separate schools or which reserved better jobs for white workers. In the 1970s, the Supreme Court went even further and cautiously approved programs designed to guarantee that blacks were well represented in professional schools or in higher paying jobs and that minority firms got a share of federal spending (Regents of the University of California vs. Bakke, 1978; Steelworkers vs. Weber, 1979; Fullilove vs. Klutznick, 1980).

The racial attitudes of whites also changed. Prior to the 1960s, a majority of whites believed they had the right to segregate blacks on streetcars, in neighborhoods, in schools and on the job. Whites altered their view of fair

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treatment for blacks throughout this period, even during the strife-filled years of the late 1960s. The majority now endorse the principles of racial integration of public schools, are willing to work for black supervisors or vote for black candidates and believe that blacks should be able to live wherever they can afford (Hyman and Sheatsley, 1956 and 1964; Taylor, Sheatsley and Greeley, 1978).

Whereas few would dispute that race relations have changed as a result of the civil rights movement, there continues to be disagreement about the extent of improvement in the status of blacks. There are many who stress the progress which has been made and the apparent disappearance of longstanding racial differences, but there are others who believe that black progress has been vastly overstated.

A. The View that Racial Differences are Declining

The view that racial differences are declining can be traced to a controversial paper published by Ben Wattenberg and Richard Scammon in 1973. They argued that a remarkable change took place in American society after 1960 as blacks increased their educational attainment, moved into skilled blue collar and white collar jobs and began earning salaries close to those of whites. They believed that blacks were entering the middle class so very rapidly that, for the first time in this nation's history, a majority of blacks could be called middle class.

At about the same time, Daniel Patrick Moynihan (1972:14) observed that black husband-wife families living outside the South in which the husband was under 35 had incomes almost as great as those of comparable white families and

he took this as evidence of great black gains. Nathan Glazer, in his book Affirmative Discrimination (1975), analyzed the income of black and white husband-wife families and concluded that there was a trend toward convergence of income within all regions. These statistics have frequently been used to bolster the argument that racial differences are being eliminated and that discrimination is disappearing.

Richard Freeman focused his attention upon the employment and earnings of college-educated blacks and found that they were comparable to those of similar whites. He reported that by the mid-1970s college-educated black men entering the labor force could expect to earn somewhat more than white men which led him to conclude that there was "...a dramatic collapse in traditional discriminatory patterns in the market for highly qualified black Americans." (Freeman, 1976: xx and 33). Although Freeman restricted his investigation to one component of the black population, his findings have often been cited as evidence of substantial black gains.

Several investigators used data from the decennial censuses and from the Census Bureau's Current Population Survey to determine if there have been decreases over time in the wage returns associated with the human capital investments of white and black men. In general, their findings suggest that by the mid-1970s, white men still obtained greater economic rewards for schooling than black men but the racial differentials declined substantially after 1960. (Weiss and Williamson, 1972; Freeman, 1973; Welch, 1973; Masters, 1975; Farley, 1977; Smith and Welch, 1977; Featherman and Hauser, 1978: Chap. 6).

William Wilson (1978) provides an overarching view of racial changes in post-World War II America. He noted that blacks made unprecedented progress in the government and corporate sectors and believed this came about because, by the 1970s, an individual's skill or ability, rather than his or her skin color, determined economic success or failure. Indeed, his often cited book is entitled: The Declining Significance of Race.

On the policy front, the gains made by blacks led Moynihan, in 1970, to circulate a memorandum to the White House recommending a program of benign neglect since he felt that court decisions and civil rights laws had drastically reduced discrimination. (Ploski and Marr, 1976: 61). Because the racial gains were so extensive, he argued that no further governmental efforts were required.

B. The View that Racial Differences are Persistent or Increasing

The opposite view has been stated with equal vigor. The annual report of the National Urban League for 1980 begins with a summary by Vernon Jordan.

> "For black Americans, the decade of the 1970s was a time in which many of their hopes, raised by the civil rights victories of the 1960s withered away, a time in which they saw the loss of much of the momentum that seemed to be propelling the nation along the road to true equality for all its citizens.... The 70s, however, brought forth in Black America a mood of disappointment, frustration and bitterness at promises made and promises unkept." (Jordan, 1980: i).

The previous year he noted that the income gap between blacks and whites actually widened and that not only was the unemployment rate for blacks at a historical peak but the jobless gap between whites and blacks was the widest it had ever been. (Jordan, 1979: iii).

Robert Hill, in Economic Policies and Black Progress: Myths and Realities (1981), observed that during the last decade the simultaneous impact of periodic recessions and double digit inflation fell disproportionately on the black community. Between 1970 and 1980, the number of poor black families rose but the number of poor white families declined. The unemployment rate among black men increased 61 percent while among white men the rise was 40 percent. During the 1970s, the number of whites below the poverty line fell by 800,000 while the number among blacks rose by 300,000 (Hill, 1981: 15, 23).

Several economists suggest that gains were much smaller than one might assume from reading Freeman, Wilson, Glazer or Moynihan. They speculate that the policies of the 1960s were either ineffective or had, at best, a temporary impact upon racial differences. Michael Reich has argued that the incomes of blacks relative to those of whites improved largely because of urbanization and structural changes in the economy. Blacks moved away from low wage southern agriculture and into higher paying industrial jobs. After he controlled for structural changes in employment, he found a persistence of substantial racial differences (Reich, 1981: Chapter 2).

Edward Lazear (1979) observed that the earnings of white and black men tended to converge in the early 1970s but he believed that this did not herald real racial gains. Rather employers responded to affirmative action requirements by equalizing the wages paid to entry level blacks and whites. However, he believed that firms compensated for this by promoting whites more rapidly than blacks and by valuing their work experience more highly. As a result, black and white wages would diverge. Thus he saw the black's gains of the 1970s as an abberation—indeed, he called them illusory—and predicted a widening black-white wage gap in the future.

Although they have not analyzed economic trends in great detail, Thomas Sowell (1981) and Walter Williams (1981: 23-31; 51-52) have also presented a picture of the status of blacks which contrast sharply with that given by Freeman or Moynihan. They note the high levels of deprivation among blacks and the substantial differences which separate blacks from whites. This comes about in large part, they contend, because of governmental programs and requirements. The "War on Poverty" encouraged blacks to stay out of the competitive labor market and survive on welfare or transfer payments. Blacks were thereby locked into dependency and discouraged from obtaining the skills needed to escape poverty. Government regulations, unnecessarily restrictive job requirements, and minimum wage laws also prevented blacks from entering business or taking jobs.

C. The Polarization Hypothesis

Are racial differences disappearing as Freeman, Glazer and Wilson suggest or are racial differences persistent as Reich, Lazear and Jordan argue? We believe that a consensus is emerging which answers questions about black gains by stressing that the black community is becoming increasingly polarized by economic and social status. Analysts, essayists and commentators report that many young blacks now are completing college educations and moving into high paying and prestigious jobs which guarantee economic prosperity. At the same time, many other blacks appear to be trapped within central city ghettoes where schools are deficient, opportunities for employment or advancement limited and where the likelihood of depending upon welfare is high. Increasingly, the term "underclass" is used to refer to this segment of the black population.

The idea that blacks are becoming polarized by economic status can be traced back to 1965 when Moynihan wrote about Negro families:

> "There is considerable evidence that the Negro community is, in fact, dividing between a stable middle class group that is steadily growing stronger and more successful and an increasingly disorganized and disadvantaged lower class group." (U.S. Department of Labor, 1965: 5-6).

Five years later, Andrew Brimmer discussed racial gains in the 1960s and popularized the polarization hypothesis in a paper subtitled, "The Deepening Schism."

> "During the 1960s, Negroes as a group did make significant economic progress. This can be seen in terms of higher employment and occupational upgrading as well as in lower unemployment and a narrowing of the income gap between Negores and whites.
>
> However, beneath these overall improvements another—and disturbing—trend is also evident: within the Negro community there appears to be a deepening schism between the able and the less able, between the well-prepared and those with few skills." (Brimmer, 1970).

More recently, Wilson (1978) has argued that the economic split within the black community will be the nation's major racial issue in the foreseeable future and George Gilder, who provides a rationale for a new set of economic policies for the 1980s, endorsed this view of the black community: "Although intact black families are doing better than ever and discrimination has vastly diminished, the condition of poor blacks has radically worsened." (Gilder, 1981: 12).

Those who describe polarization most often focus upon the economic aspect: the assertion that blacks who are prosperous are increasingly differentiated from those in the underclass in terms of income, educational attainment, employment patterns and occupational placement.

A second related theme concerns economic polarization by family type and the perpetuation of poverty from one generation to the next. Many descriptions of the black community stress that as husband-wife black families achieve income parity with whites, black female-headed families fall further behind. At least since Moynihan wrote The Negro Family: The Case for National Action (U.S. Department of Labor, 1965) there has also been the belief that families headed by black women are responsible for the intergenerational transmission of poverty.

The polarization hypothesis has been so frequently presented that, in our view, it has been accepted as a valid description of the changing economic structure of the black community despite a paucity of empirical investigations. Although many researchers have described economic changes among blacks and others have provided lucid ethnographic accounts of impoverished blacks (Liebow, 1976; Hannerz, 1969; Stack, 1975; Anderson, 1978; Glascow, 1981), there have been only two attempts to specifically test the polarization hypothesis. One investigation by Levitan, Johnston and Taggart (1975: Chapter 9) resulted in the cautious conclusion that the black community was not becoming more differentiated by social and economic status. A more recent study by Levy (1980), on the other hand, supported the notion that the black community became more polarized between 1964 and 1978.

Given the policy significance of questions about racial progress, it appears to us that a systematic empirical assessment of the polarization thesis is needed. In the analyses reported in the following pages, we use series available from published tabulations, primarily from the Current Population Survey, to examine a set of socioeconomic indicators in order to test the

polarization thesis. These include educational attainment, employment status, occupational prestige, earnings and employment returns to education, family and per capita income, and the probability of residing in poverty. Most assertions about increasing polarization within the black community are based upon impressionistic evidence. If polarization is occurring, we should find evidence of it when we examine this range of social and economic indicators.

POLARIZATION BY SOCIAL AND ECONOMIC STATUS

A. Polarization in Educational Attainment

Educational attainment is esteemed in itself and is strongly related to occupational achievement and earnings since high paying jobs have the greatest educational requirements. We begin testing the polarization hypothesis by looking at changes in the distribution of educational attainment among adult (age 25 and over) black and white men in the period since 1960.

Two approaches are used to detect whether polarization is occurring. First, we consider the gap in educational attainment between those toward the top and those toward the bottom of the attainment distribution. To do so, we calculate the interquartile range which is the number of years of attainment which separates those at the third quartile point from those at the first quartile point. If the black community is increasingly bifurcated by social and economic status, we should find that the interquartile range has grown larger.

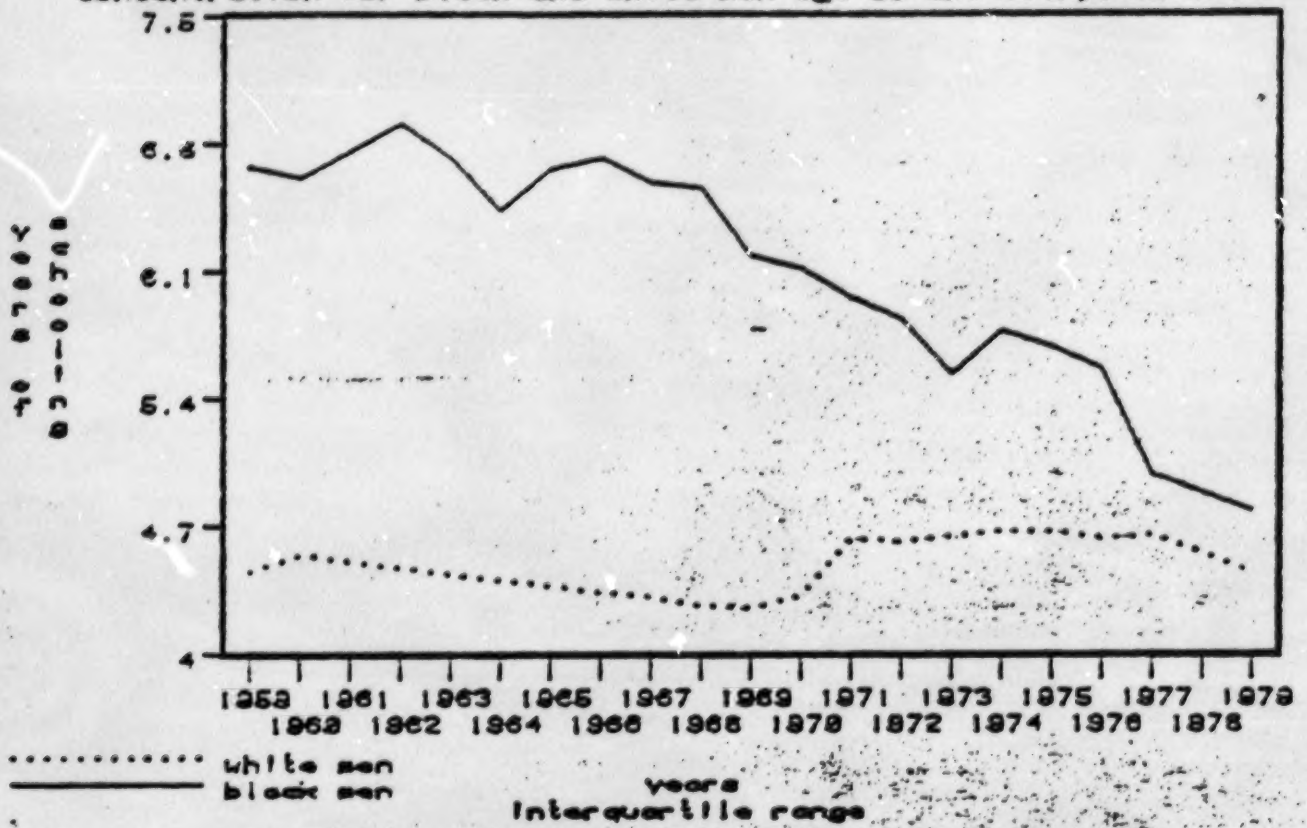
Second, we consider the full distribution of educational attainment. Is it evenly distributed or does only a small proportion of the population obtain a high level attainment? One appropriate measure for assessing this is the

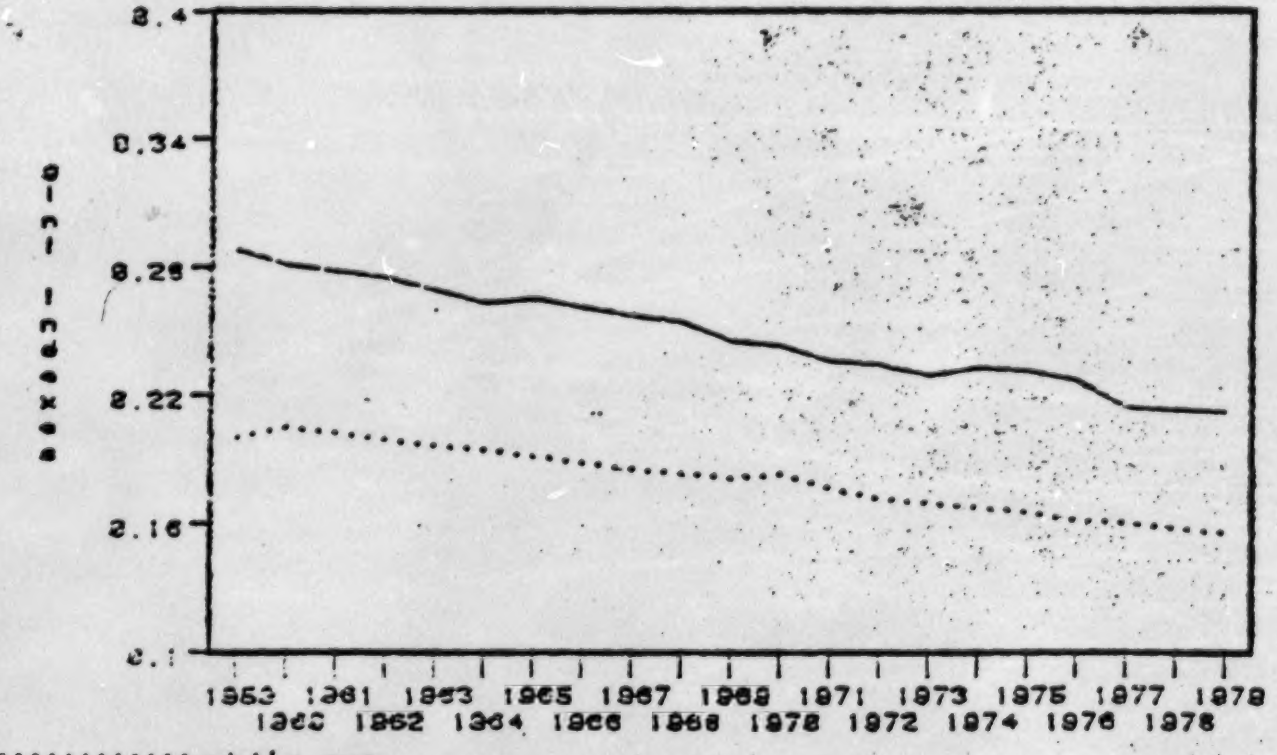
Gini Index of Concentration. If a society has an educational system such that everyone completes the same number of school years—say 12 years—and no one quits school earlier or goes beyond 12 years, the Gini Index will take on its minimum value of zero. On the other hand, if a society—perhaps an impoverished developing country—has a system such that the vast majority receive no education but a very few individuals get the training needed to become doctors, lawyers or statesmen, the Gini Index of educational concentration will approach its maximum value of unity. Increase over time in the Gini Index supports the polarization hypothesis since it indicates that the distribution of attainment is becoming more concentrated.

Figure 1

Figure 1 shows the interquartile range and the Gini Index for black and white men for the period 1959 to 1979. The data do not support the polarization hypothesis. Rather they suggest that adults have become more homogeneous with regard to attainment. In 1959, black men at the third quartile point completed about 6.7 more years than those at the first quartile point. By 1979, their advantage declined to 4.8 years. The interquartile range among white men fluctuated a bit but was no greater in 1979 than a score of years earlier. For both races, the Gini Index of educational concentration decreased although at every date attainment was more evenly distributed among whites than among blacks. Data for women (not presented here) reveal a similar trend. Also, when we restrict this analysis to people who have recently completed their educations, those 25 to 29 years of age, we see similar trends. The interquartile range decreased among blacks from 1959 through 1979 and the Gini Index fell for both races.

Figure 1 Interquartile range and gini index of educational concentration for black and white men age 25 and over, 1959-1978





Beverly Duncan (1968) reported that between 1900 and 1960 the distribution of attainment became less concentrated. Apparently this continues to the present and thus evidence on educational attainment refutes the polarization hypothesis.

B. Nonparticipation in the Labor Force: Does it Suggest More Polarization?

Several of the discussions of economic polarization among blacks report that many adult men drop out of the labor force; that is, they are neither working nor looking for a job. Often there is speculation that these people lack skills or motivation and depend upon welfare benefits or transfer payments to support themselves. There may be a kind of polarization by labor force status as those who are employed are increasingly distinguished from those who are out of the labor force.

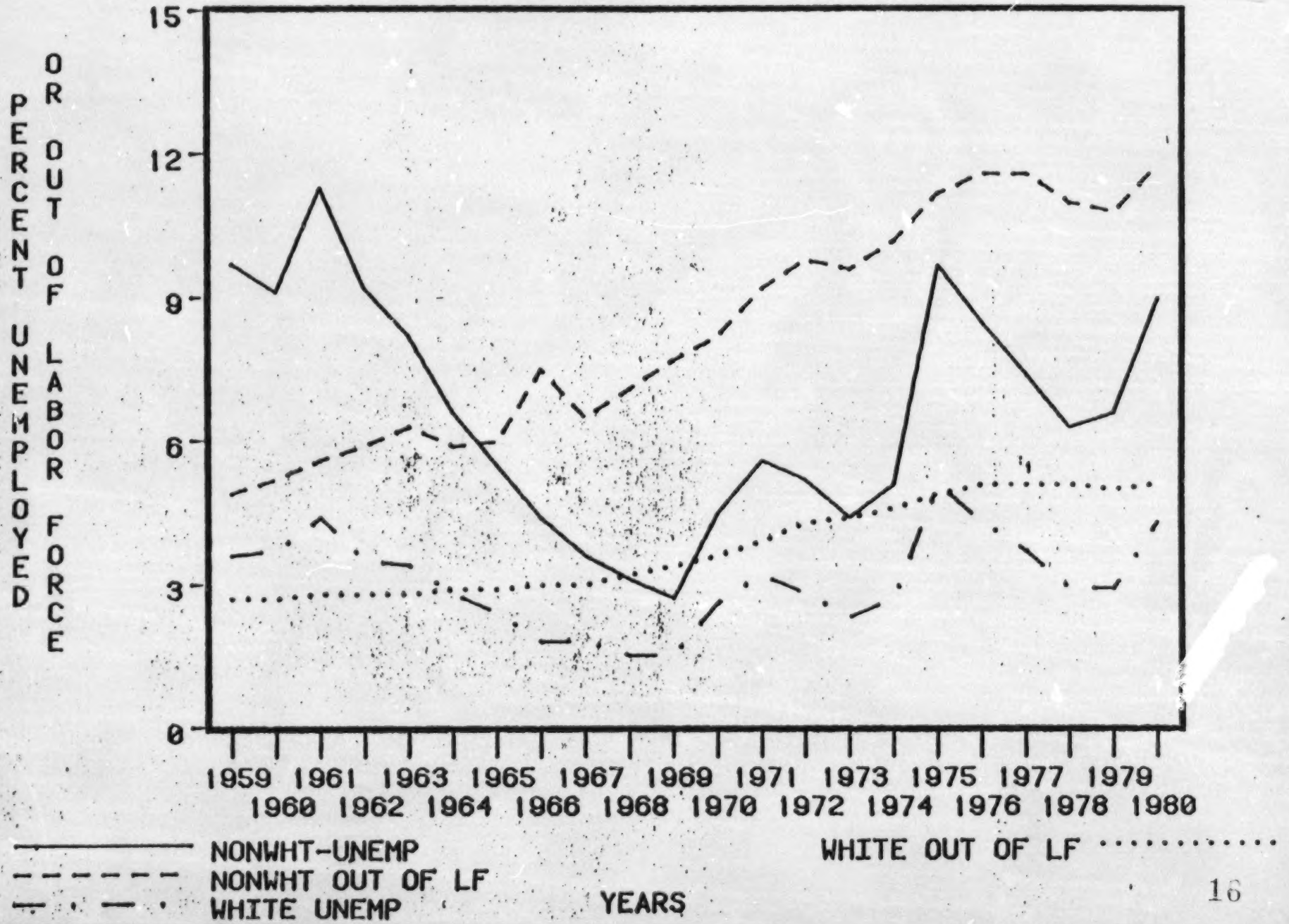
Trends in unemployment and nonparticipation in the labor force are shown in Figure 2. These are age-standardized data showing the proportion of white and nonwhite men age 25 to 54 who reported that they were unemployed or were out of the labor force.[1]

Figure 2

Data about unemployment are presented to determine more about those who are out of the labor force. If those who are nonparticipants in the labor force are primarily discouraged workers who cannot find jobs, then there should

[1] For the most part, data used in this investigation pertain to blacks and whites. However time series information about employment status and the occupations of employed workers is only available for whites and for nonwhites.

FIG 2 PROPORTION OF MEN 25 TO 54 UNEMPLOYED OR OUT OF THE LABOR FORCE BY RACE, 1959-1980; AGE STANDARDIZED



be a close correspondence of the rate of unemployment and of nonparticipation. A look at Figure 2 shows that this is not the case since time trends in unemployment and nonparticipation are not at all similar. Unemployment rates decreased during the prosperous years of the late 1960s, rose sharply in the 1974–75 recession and then again in 1980. When we use a first difference model with change in the constant dollar Gross National Product as the independent variable, we find that we can account for most of the variance in the unemployment rate with economic growth. A one percent real increase in the GNP reduced unemployment by about one-half of one percent among nonwhite men and by about three-tenths of one percent among white men.

Being out of the labor force, however, was not at all responsive to economic changes. Instead, there was an unambiguous linear increase among both races throughout the 1960s and the 1970s. Among nonwhites, the proportion of adult men who were neither working nor seeking a job rose from about 5 to 12 percent. Among whites, the increase was from about 3 to 5 percent. Further research is needed to determine if those who are not participants in the labor force are dependent upon welfare or are members of an underclass as some writers and investigators contend. Contrary to the evidence on educational attainment, the rapid increase in this category is consistent with the hypothesis that the black community is becoming polarized by economic status.

C. Polarization in Occupational Achievement

Throughout the 1940s almost all employed blacks worked at low skill and low paying jobs. There were a few black professionals but the majority were

employed as farm laborers, in domestic service, or as unskilled laborers in factories or on the railroads. This situation has changed as more blacks complete extensive educations and move into better jobs. It is plausible that the gap between those at the top and the bottom of the occupational ladder has grown wider.

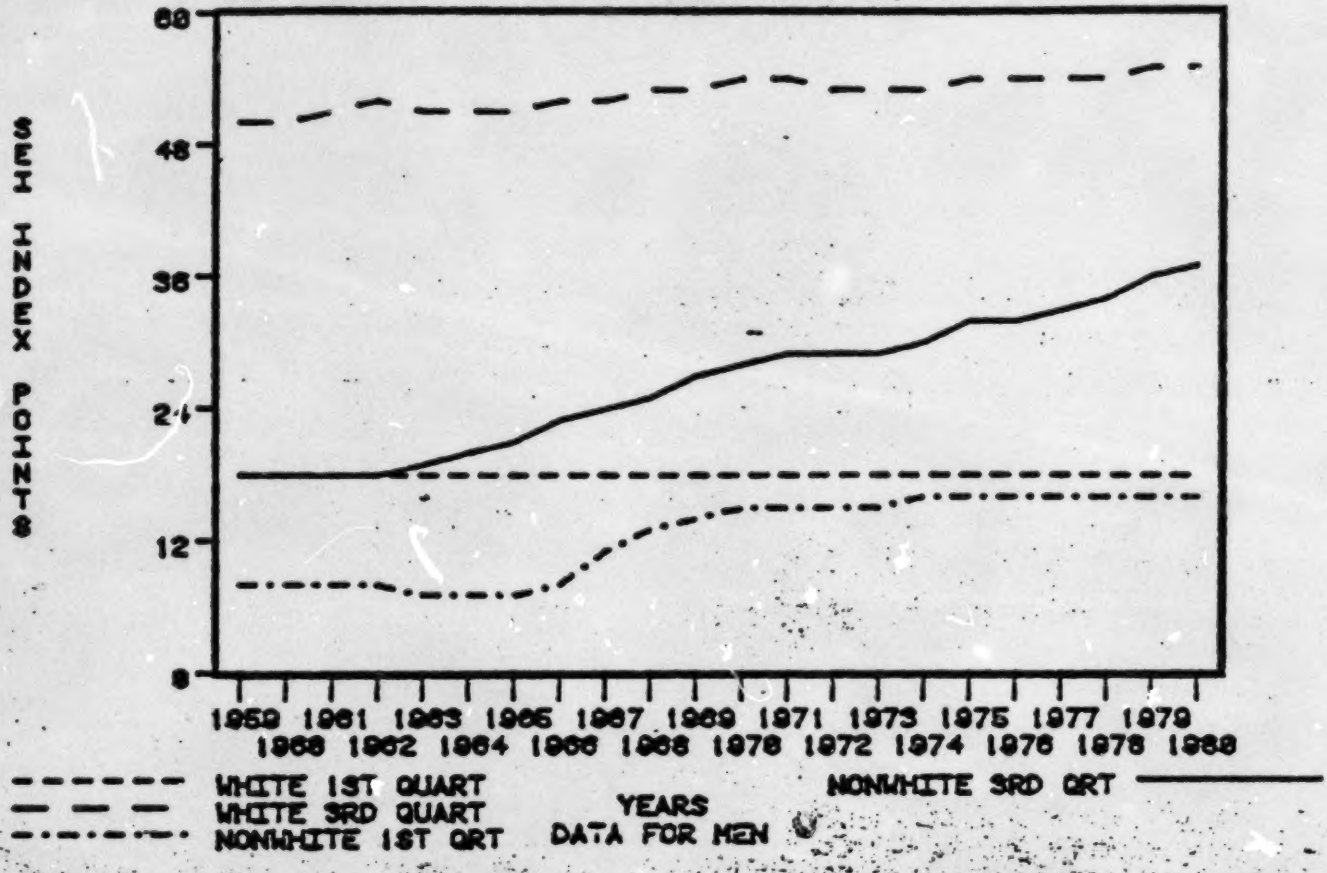
Whereas education may be quantitatively measured by years of schooling, it is more difficult to assess occupational status. A variety of schemes for coding occupational prestige have been proposed. We use the scores which were first developed by Duncan (1961).and have become standard in the analysis of stratification.

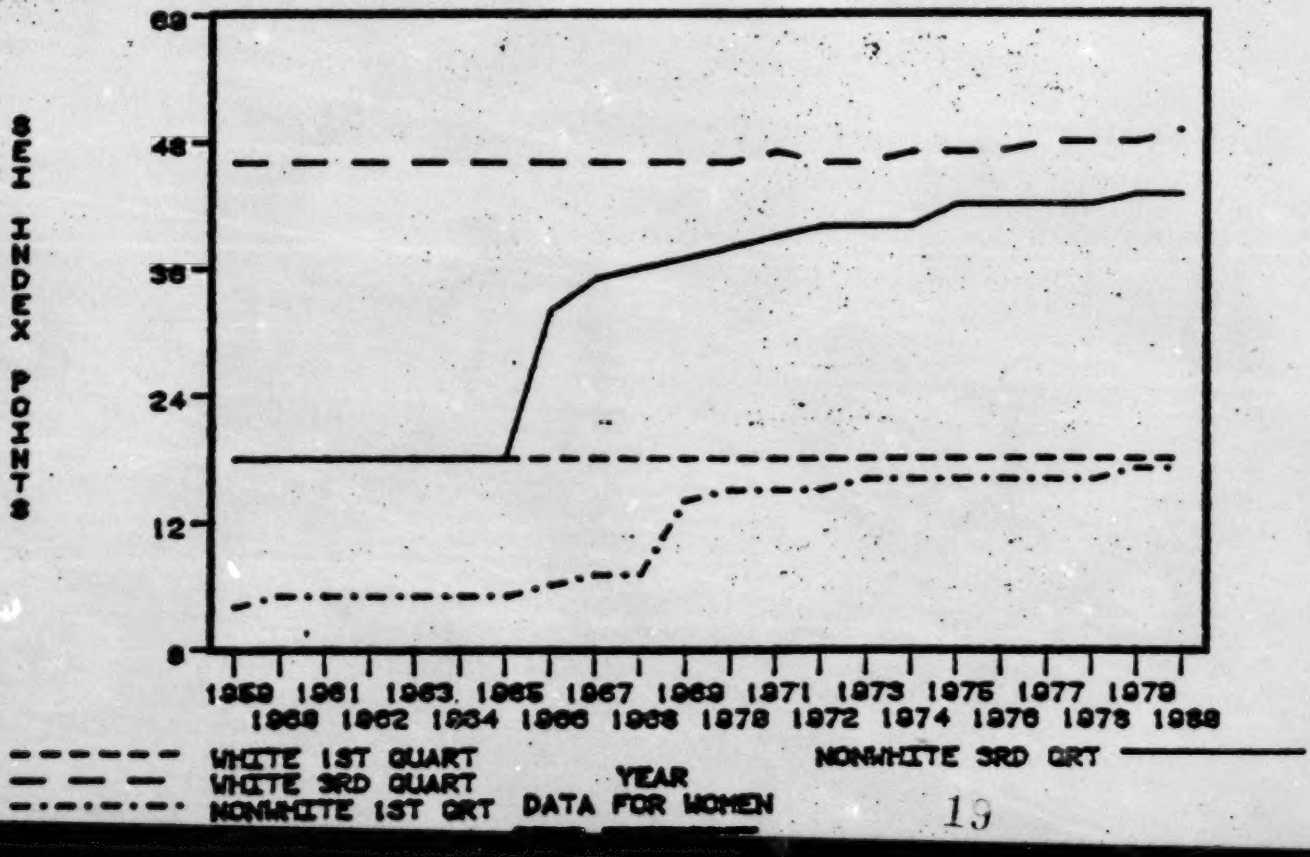
Figure 3

Figure 3 shows trends over time in the first and third quartile points of the white and nonwhite occupational distribution with data for men in the upper panel and those for women in the lower one. Both the first and third quartile points of the nonwhite occupational distribution have risen since 1960 reflecting the upgrading of jobs. Although whites continue to work at more prestigious jobs than nonwhites, there has been less upgrading among whites and thus racial differences in occupational prestige have declined.

These data reveal that if we consider employed workers and rank their occupations on a widely used prestige scale, we find that the gap between those in the bottom one quarter and those in the top one quarter has grown larger. The interquartile range in 1959 was 10 occupational prestige points among nonwhite men; in 1980 it was 21 points. Among nonwhite women, the

FIG 3 FIRST AND THIRD QUARTILES OF OCCUPATIONAL PRESTIGE DISTRIBUTION FOR WHITES AND NONWHITES, 1958–1988





corresponding increase was from 13 to 26 occupational prestige points. For whites, there has been a similar increase but it has been of such smaller magnitude. This tends to support the view that the black community is becoming more polarized, at least in terms of occupational prestige.

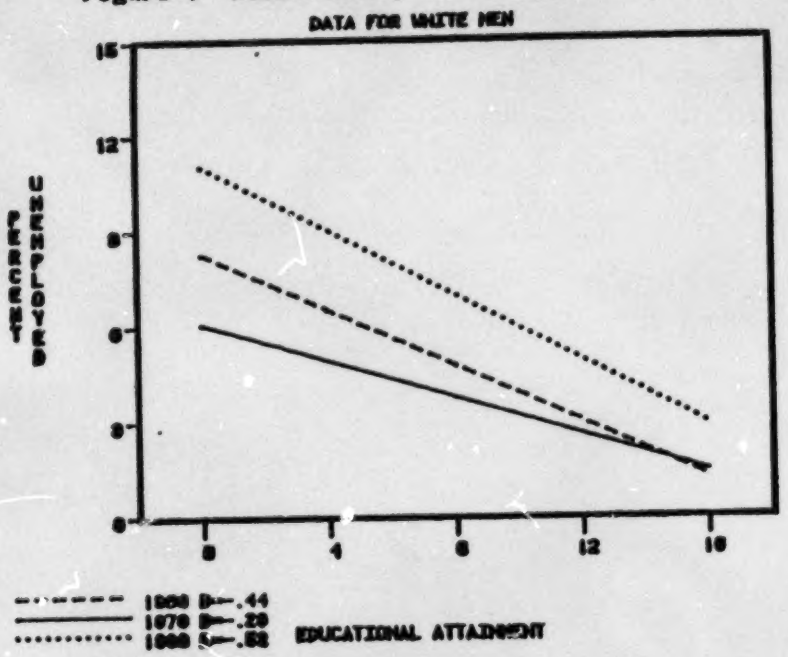
D. The Relationship of Employment and Earnings to Educational Attainment: Does it Suggest Increased Polarization?

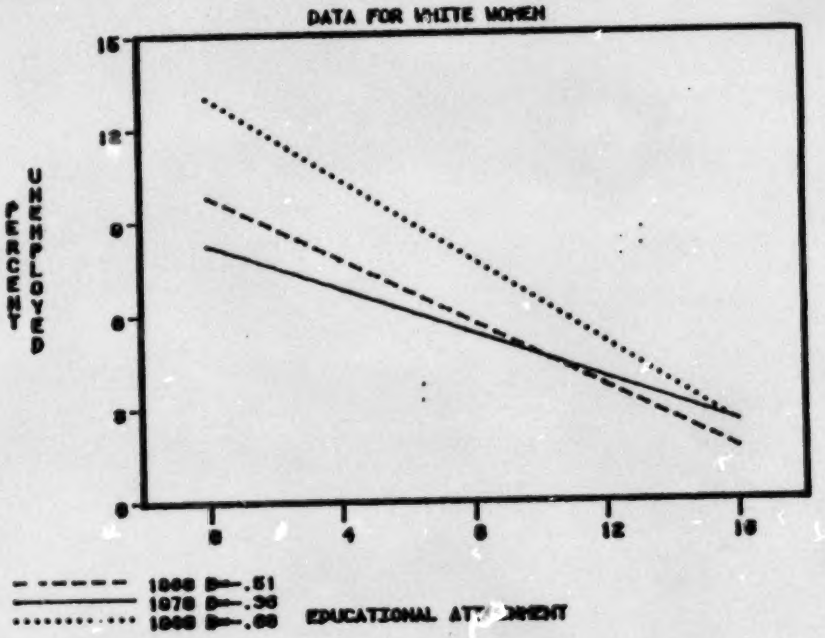
Thus far we have reported mixed results concerning the polarization hypothesis by examining distributions of educational attainment, employment and occupational prestige. An additional test is to look at different educational attainment groups and see if they have become more or less alike with regard to other economic variables. Many of the writers cited at the outset, such as Freeman, Glazer and Wilson believe that extensively educated blacks can readily compete with whites. Generally, they imply that blacks who lack skills or training are candidates for the "underclass." The implication is that, within the black community, the relationship of employment or earnings to education should have become stronger in recent years. That is, those at the top of the distribution should be doing well in economic terms while those at the bottom are falling further behind.

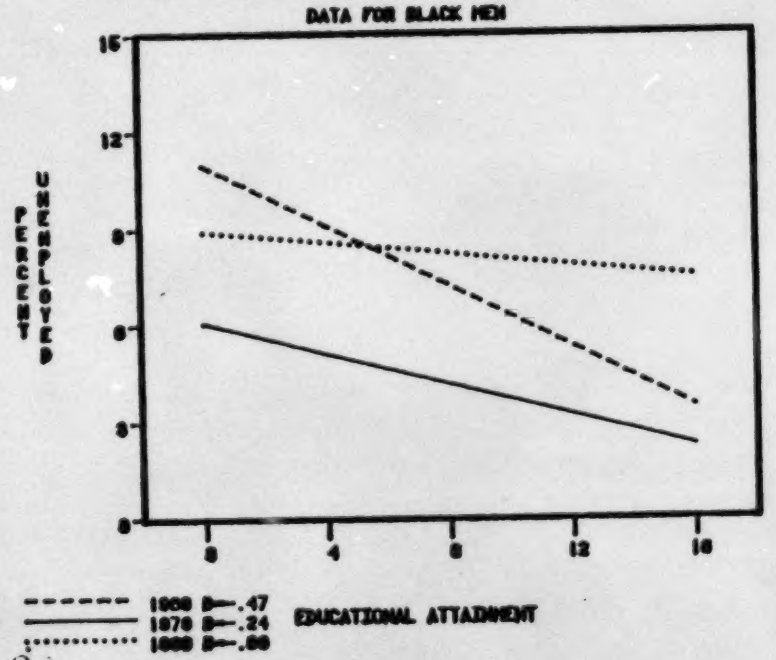
Figure 4

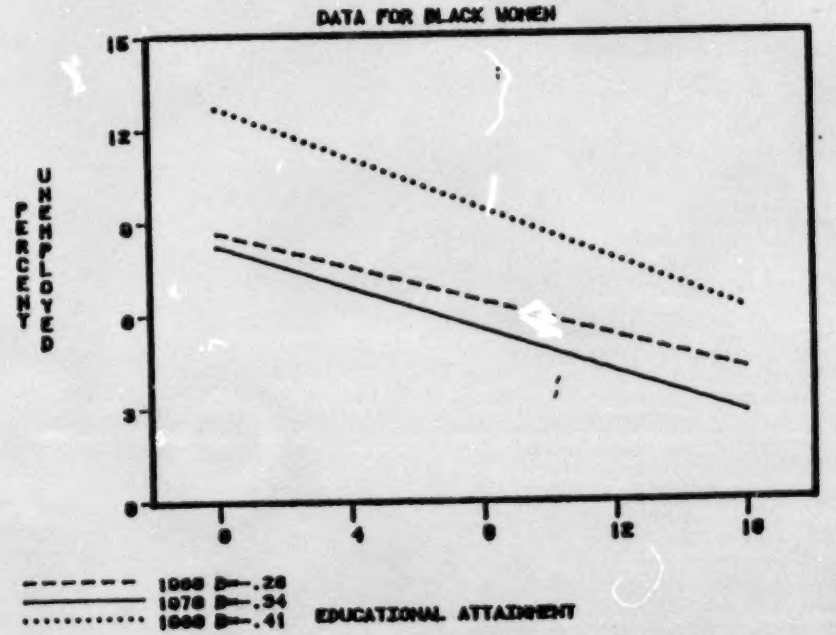
Figure 4 explores this topic by presenting information concerning the relationship of unemployment to educational attainment among blacks and whites of both sexes in 1960, 1970 and 1980. The graphs show the lines which result from the regression of the proportion unemployed on years of school completed

Figure 4 Relationship of Unemployment to Educational Attainment by Race and Sex; 1960,1970 and 1980









using unweighted aggregate data. If polarization is occurring, the gap in unemployment rates between the extensively educated and those with only a few years of schooling should be increasing. Stated differently, the gradients of the regression lines—which are reported by the values of b in Figure 4—should become more steeply negative over time.

Between 1960 and 1970, the slopes for all four groups became flatter as the values for the regression coefficients moved closer to zero. In other words, polarization was not occurring; unemployment rates of those at the top and the bottom of the educational distributions became more alike. Between 1970 and 1980, however, the gradients became more steeply negative for all groups except for black men. This evidence bolsters the view that educational differences in unemployment became greater during the 1970s but this happened among whites and among black women, not among black men. The data for 1980 report that among black men, educational differences in unemployment were smaller in that year than 10 or 20 years earlier. Hence, we lack evidence of polarization in the 1970s among nonwhite men, the group for whom we would most expect to find such evidence.

The relationship of earnings to educational attainment is explored with data shown in Table 1. Using six broad educational categories, data for persons age 25 and over were examined from the censuses of 1960 and 1970 and from the March 1979 Current Population Survey. Each of the respondents was asked about their earnings during the previous year. The mean earnings for the educational attainment categories were calculated and then divided by the average earnings for all members of that race-sex group in that year. For example, comparing

the earnings of black men in 1959, reveals they earned 77 percent as much. Black men, in that year, who completed college had earnings 190 percent as much as the average for all black men.

Table 1

If polarization is occurring, the ratio of earnings for those with few years of schooling to the mean for a group should decline over time. Correspondingly, if college-educated persons are increasingly successful, the ratio of their earnings to mean earnings should rise. To assist in the analysis of polarization, three additional earnings ratios are presented for each group:

(a) The earnings of those with a high school education (12 years) to those of people with an elementary education (0 to 6 years).

(b) The earnings of those with a college education (16+ years) to those of people with a high school education.

(c) The earnings of those with a college education to those of people with an elementary education.

Data about earnings returns to education generally do not support the polarization hypothesis for either blacks or whites. The ratios of earnings for those at the bottom of the attainment distribution have, to be certain, declined among blacks suggesting that these people are relatively less prosperous. However, the ratios for those at the top of the attainment distribution have also fallen.

Looking at the ratios which compare earnings for two specific educational groups, we see that those with a high school education have pretty much maintained their advantage with regard to those with a grammar school education.

Table 1. INFORMATION ABOUT EARNINGS BY EDUCATIONAL ATTAINMENT FOR PERSONS AGE 25 AND OVER, 1959, 1969 AND 1978

Educational attainment	Black Men			Black Women		
	1959	1969	1978	1959	1969	1978
	— Ratio of Earnings of One Attainment Group to Average Earnings[a] —					
0 to 6 years	.77	.70	.64	.62	.54	.52
7 to 9 years	1.02	.94	.78	.80	.72	.65
10 or 11 years	1.11	1.00	.88	1.07	.81	.72
12 years	1.16	1.10	1.02	1.27	1.16	1.03
13 to 15 years	1.33	1.26	1.18	1.65	1.46	1.22
16 or more years	1.90	1.76	1.50	2.34	2.19	1.57
	— Ratios of Earnings for Specific Groups —					
High school[b] to elementary[c]	1.51	1.57	1.61	2.04	2.15	2.00
College[d] to high school	1.64	1.60	1.47	1.85	1.88	1.53
College to elementary	2.48	2.51	2.37	3.78	4.05	3.05
	White Men			White Women		
	— Ratio of Earnings of One Attainment Group to Average Earnings[a] —					
0 to 6 years	.58	.59	.57	.67	.75	.65
7 to 9 years	.79	.75	.73	.81	.80	.73
10 or 11 years	.95	.86	.82	.89	.83	.76
12 years	1.04	.96	.93	1.04	.96	.94
13 to 15 years	1.23	1.10	.99	1.14	1.12	1.04
16 or more years	1.68	1.57	1.33	1.60	1.60	1.37
	— Ratios of Earnings for Specific Groups —					
High school[b] to elementary[c]	1.79	1.63	1.63	1.[illegible]	1.29	1.45
College[d] to high school	1.63	1.63	1.42	1.54	1.66	1.46
College to elementary	2.92	2.65	2.32	2.39	2.13	2.12

[a]These report the ratio of the earnings of individuals in a given educational attainment category in a given year to the average earnings for all persons of that race-sex group in that year. For instance, black men who had educational attainments of 0 to 6 years in 1959 had earnings 77 percent as great as the average for all black men in 1959. The earnings of black men who completed college were 1.90 times the average earnings for black men in 1959.

[b]This refers to persons who completed 12 years of education.

[c]This refers to persons who completed less than 7 years of education.

[d]This refers to persons who completed 4 or more years of college education.

Source: U.S. Bureau of the Census. Tape files from the Public Use Samples of the Censuses of 1960 and 1970 and the Annual Demographic File for 1979.

However, the advantage of the college educated over either those with a high school education or those with an elementary education has declined. In 1959, college educated black men had earnings 148 percent greater than those of elementary men and 64 percent greater than those of men with a high school education. In 1978, these figures were 47 percent and 137 percent. At all dates and for all groups, those at the top of the educational distribution earned more than other workers but their advantage has been decreasing, not increasing as the polarization thesis would suggest.

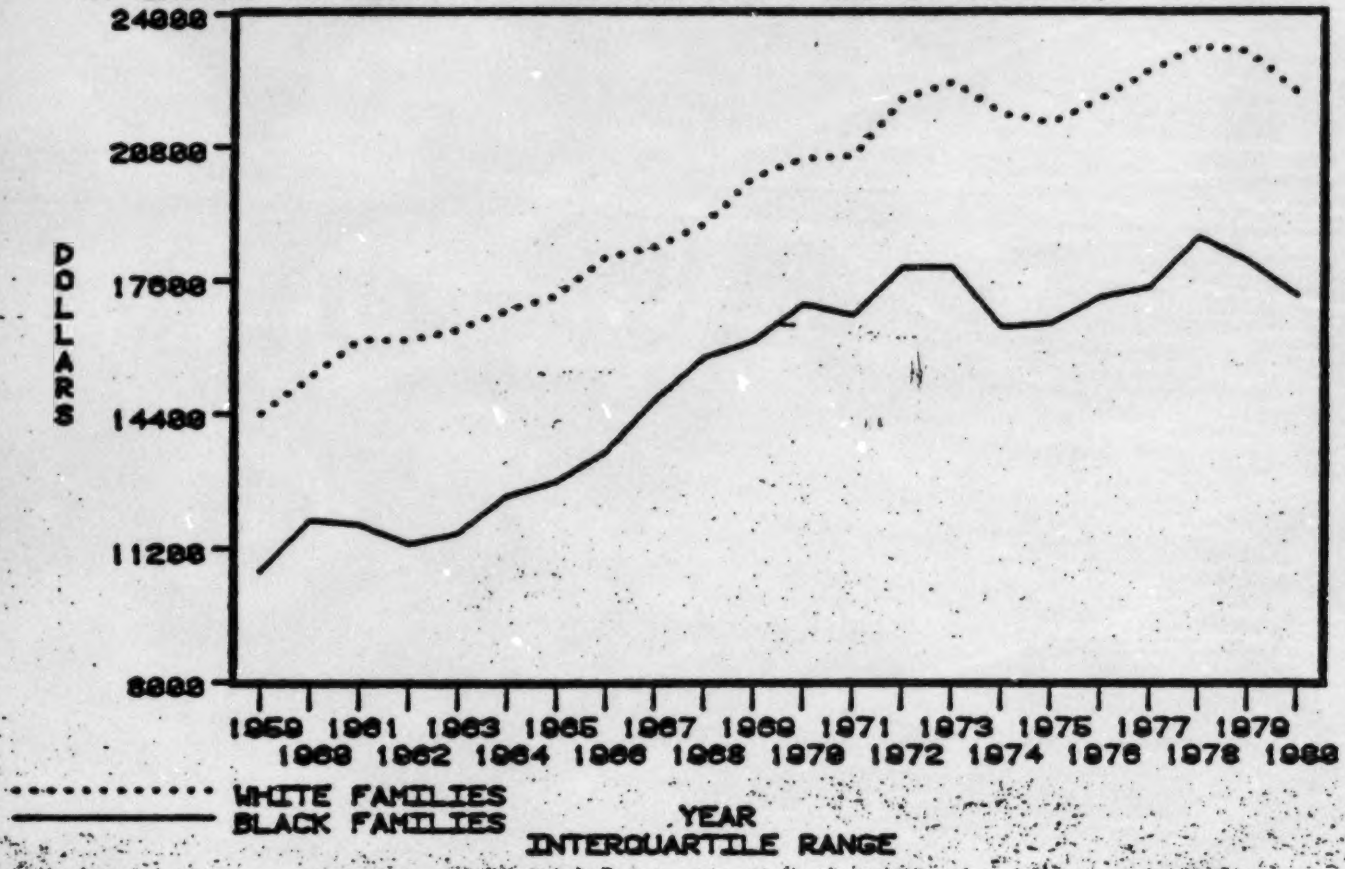
E. Polarization in Family Income

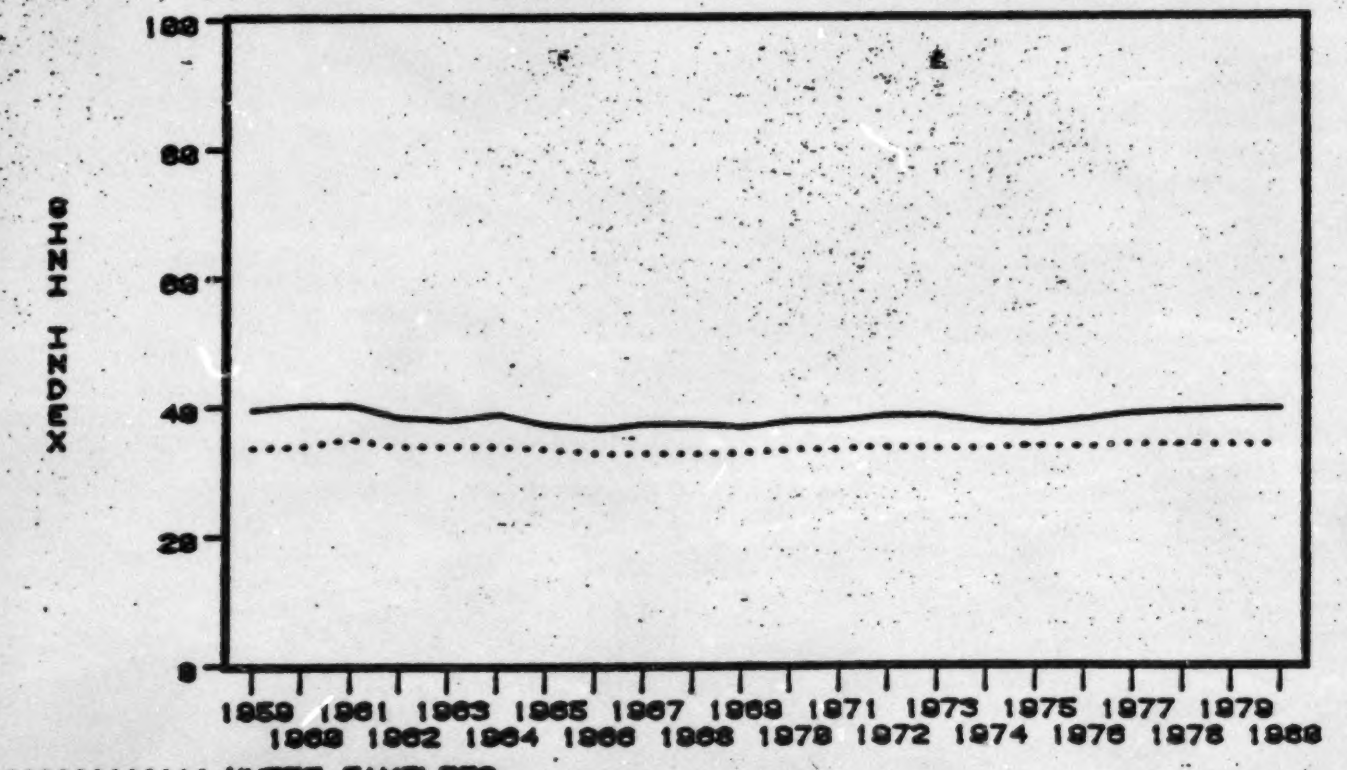
Using the same measures applied to the distribution of educational attainment, we next seek to determine if there is an increasing polarization of families by income. Figure 5 shows the interquartile range—in constant 1980 dollars—and the Gini Index of income concentration for black and white families between 1959 and 1980. If economic polarization is occurring among blacks, we would expect the gap between the rich and the poor to be increasing as successful blacks rapidly raise their incomes.

Figure 5

The data in Figure 5 provide some support for the polarization hypothesis but they are ambiguous. The interquartile range grew larger for both races implying that the economic gap between the poorest one-quarter and the richest one-quarter of the families is now much greater than it used to be. Among blacks, the interquartile range increased from about $11,000 in 1959 to $17,000 in 1970 and peaked at about $19,000 in 1978. On the other hand, the Gini Index

FIG 5. INTERQUARTILE RANGE (CONSTANT 1980 DOLLARS) AND GINI INDEX OF INCOME CONCENTRATION FOR BLACK AND WHITE FAMILIES, 1959-1980





of income concentration has changed very little during the two most recent decades. Income is somewhat more concentrated among black families than among whites but there was no substantial change in the degree of concentration among either race. Indeed, longer run analyses report there has been very little change in the entire period since the end of World War II (U.S. Bureau of the Census, 1967; Schultz, 1969).

How is this possible? How can two appropriate indexes give such different pictures of what is happening to the distribution of income? Attention must be given to the nature of the measures used. Suppose that between one year and the next, the rank position of every family in an income distribution remained exactly the same but the absolute amounts of their real incomes grew by 20 percent; that is, each family was able to purchase 20 percent more goods and services in the latter year. The shape of the income distribution would not change and such measures as the Gini Index would remain constant since the ranking of families by income would be unaltered. However, the interquartile range would grow by 20 percent.

This has happened in recent decades. Blacks at the first quartile point in the family income distribution have consistently reported incomes which were about 27 percent as great as those at the third quartile point. Nevertheless, the actual gap in purchasing power has widened leading to ambiguous findings about the polarization hypothesis.

F. Economic Polarization by Family Type: Per Capita Income and Poverty

As noted in the introduction, an important component of the polarization thesis is the assertion that the black community is dividing along family type

lines with those in husband-wife households achieving parity with whites while those in female headed households fall further behind both whites and blacks in "stable" families. Recent commentaries, such as that by Kilson (1981) in The Public Interest, point to the growth in female headed families as cause for great concern. Supposedly, it is children who grow up in these circumstances who will form the core of the next generation's underclass.

Whereas cross-sectional CPS data shed no light on the intergenerational transmission hypothesis, they do allow for an assessment of whether or not female headed families are increasingly disadvantaged relative to husband-wife families. Family income trends can be disaggregated by family type but we choose to focus on per capita income since female headed families have fewer persons who must share income, on average, than do husband-wife households. In assessing per capita income trends among blacks and whites, the answers to two questions are particularly important.

(a) Is it true that persons in black husband-wife families have made great gains vis-a-vis whites in similar living arrangements?

(b) Is there evidence of increased polarization by family type within the black community?

Figure 6 presents per capita income trends by family type for the 1959-78 period. All income figures have been concerted to 1980 dollar amounts, using the Consumer Price Index, so as to allow assessment of real income gains in the decades of the 1960s and 1970s. Although per capita income levels in black husband-wife families increased from $2,700 to $5,700 during the period, a substantial gap between white and black families remained in 1978. Throughout the

period, the average dollar gap did not drop below $2,600 per person. Gains are occurring among black husband-wife families but parity with comparable white families has not yet been achieved.

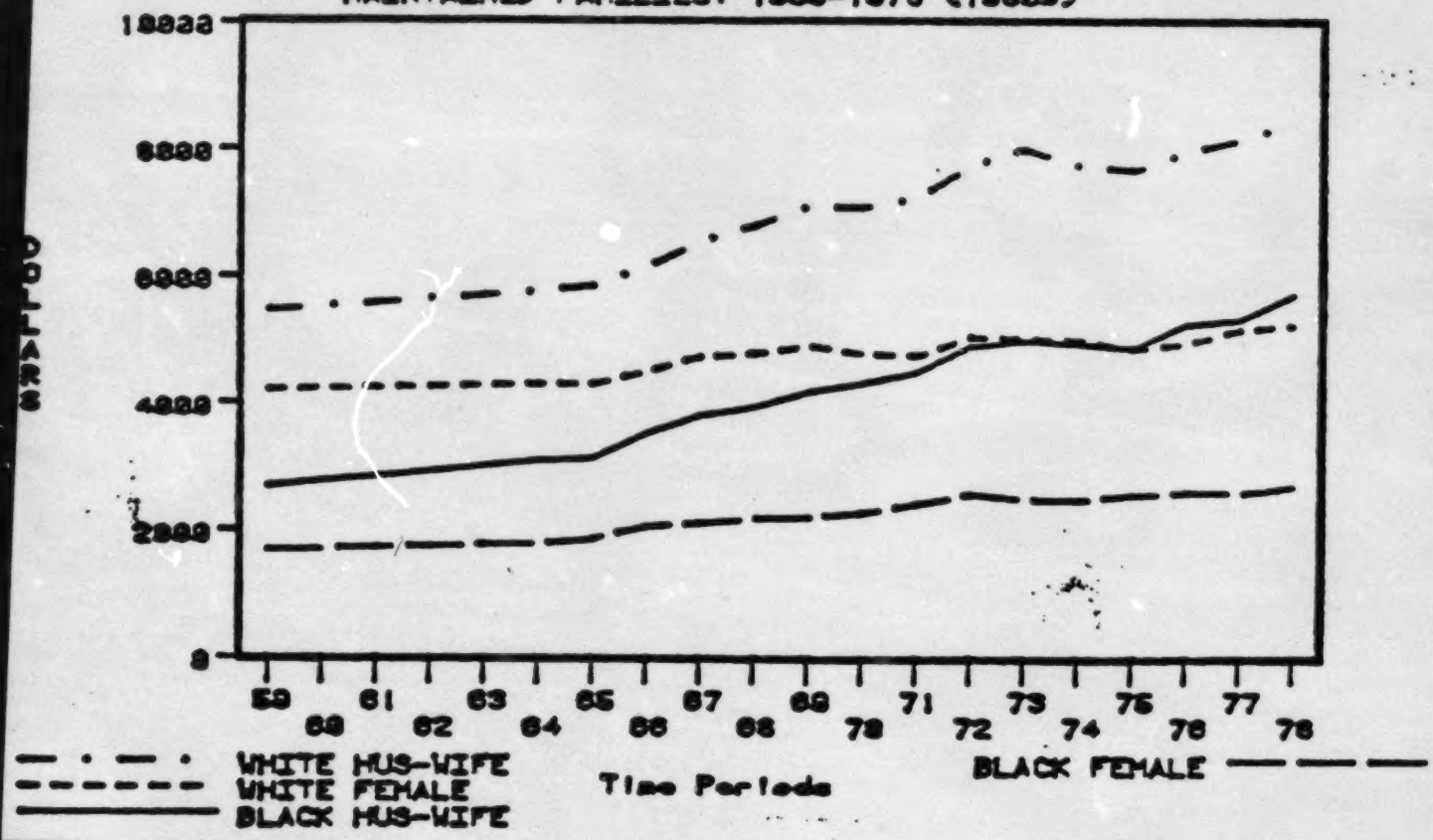
Figure 6

With regard to the polarization issue, it is clear from Figure 6 that the income trend lines are much flatter for black and white female headed than for husband-wife families. When we plot the female husband-wife per capita income ratio, as is done in the lower panel of Figure 6, we note a dramatic decline in the relative well-being of female headed families. During the 1959-78 period, the ratio dropped from .63 to .47 among blacks and the per capita dollar gap separating female from husband-wife headed families increased from $1,000 to $3,000. Thus there is evidence that the black community is becoming more economically polarized by family type.

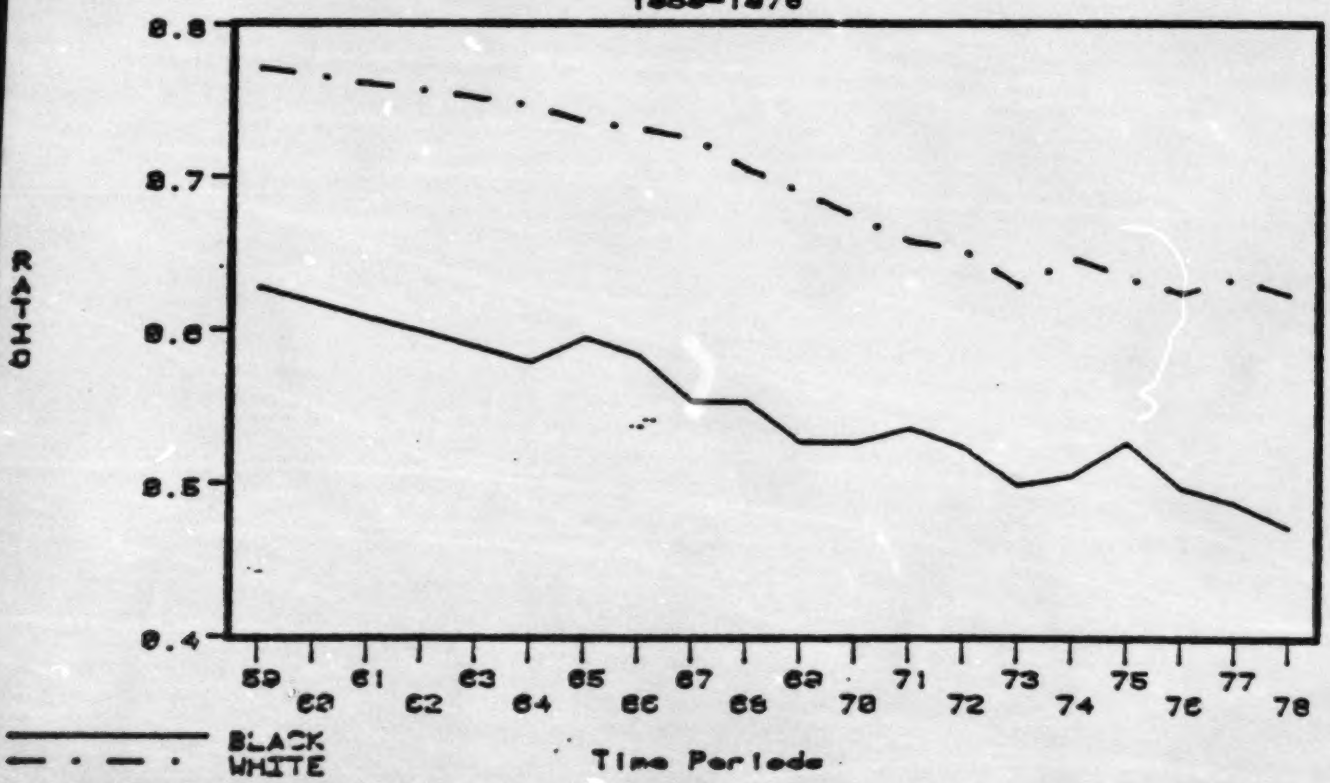
An important point to note is that polarization is by no means limited to the black community. Among whites, the dollar gap separating persons in female versus husband-wife headed families increased from $1,200 to $3,200 and the ratio of per capita incomes dropped from .77 to .62. However, family type bifurcation may be more significant among blacks because a much higher proportion of black than white children reside with a mother only.

Turning to an alternate indicator, the percent of children in poverty, Figure 7 demonstrates the much higher probability of a child residing in poverty if he/she lives in a female headed family of either race than if in a male maintained family. (Published tabulations do not separate out the small percent of persons in other male headed families from those in husband-wife households). Considering that currently 44 percent of black children live

FIG. 6 PERCAPITA INCOME IN BLACK AND WHITE HUSBAND-WIFE AND FEMALE MAINTAINED FAMILIES: 1959-1978 (1988$)



RATIO OF PERCAPITA INCOME IN FEMALE/HUSBAND-WIFE FAMILIES 1959-1978



with a mother only and 65 percent of these children are in families with income below the poverty threshold, it is not surprising that there is a resurgence of interest in economic differences by family type in the black community.

Figure 7 suggests a dramatic decline in poverty for children in black husband-wife families in the 1960s, more modest declines in the 1970s, and a slight rise in 1979 and 1980. With this indicator also, the polarization hypothesis for blacks seems supported. The difference in percent of children in poverty in female as compared to male headed families is now larger than in 1959. For whites, on the other hand, contrary to per capita income differences which showed that polarization was increasing, current differences in percent in poverty between female and male headed families are slightly smaller than they were in the early 1960s.

Figure 7

To provide perspective on the changing character of the poverty population, Table 2 highlights the "feminization" of poverty—the growing share of the poverty population residing in female maintained households. For blacks, the change is very dramatic: We have moved from a situation in which a quarter of the poverty population was in female headed families to one in which 60 percent is now in those families. This coincides with a general shift towards more persons living in female headed families, but the increase in the poverty population residing in these families is much larger than the general shift.

Table 2

FIG 7 PERCENT OF CHILDREN IN MALE AND FEMALE MAINTAINED FAMILIES WHO RESIDE IN POVERTY: 1959-1988

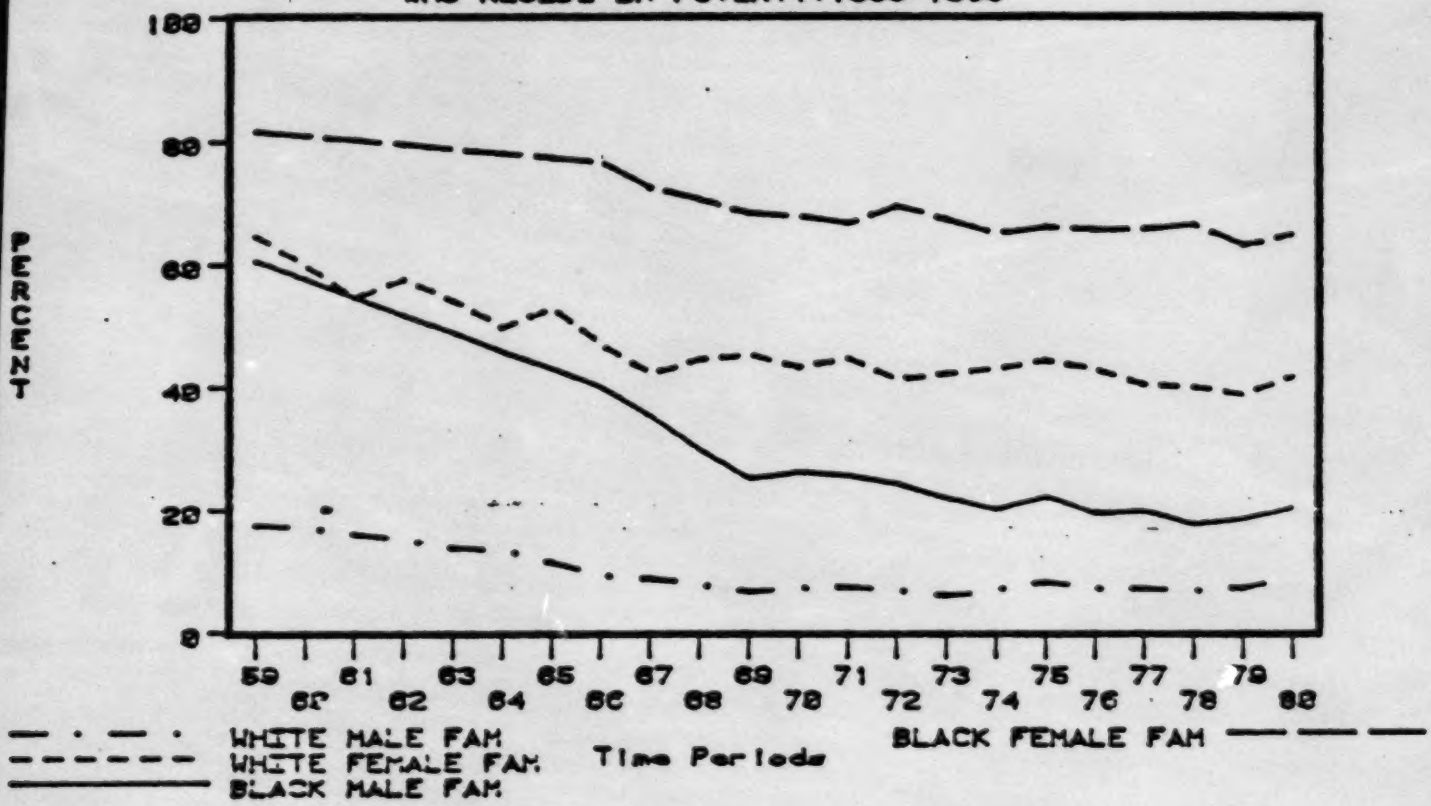


Table 2. Changing Composition of the Poverty Population: 1959-1980

Race and year	Total persons in poverty		Living in husband-wife and male maintained families	Living in female maintained families	Males not living in families	Females not living in families
	Number	Percent				
WHITES						
1959.....	28.484	100.0%	71.0	14.8	4.1	10.1
1962.....	26.672	100.0	69.4	15.3	4.2	11.0
1964.....	24.957	100.0	67.3	15.6	4.4	12.6
1966.....	19.290	100.0	61.0	18.9	5.2	14.9
1968.....	17.395	100.0	57.5	20.4	5.7	16.4
1970.....	17.484	100.0	54.7	21.5	6.2	17.6
1972.....	16.203	100.0	52.4	23.2	6.3	18.0
1974.....	16.290	100.0	50.5	26.3	7.4	15.8
1976.....	16.713	100.0	48.1	26.7	7.9	17.3
1978.....	16.259	100.0	47.2	26.9	8.1	17.8
1980.....	19.347	100.0	49.9	25.5	7.6	17.0
BLACKS						
1959.....	9.927	100.0	67.4	24.4	3.3	4.9
1966.....	8.867	100.0	55.7	35.7	3.2	5.6
1968.....	7.616	100.0	46.4	43.4	3.7	6.5
1970.....	7.548	100.0	40.1	48.4	4.0	7.4
1972.....	7.710	100.0	35.0	53.7	4.4	6.9
1974.....	7.182	100.0	29.8	51.0	4.7	8.2
1976.....	7.595	100.0	28.4	58.2	5.4	8.0
1978.....	7.625	100.0	23.4	61.8	5.9	8.9
1980.....	8.504	100.0	25.9	58.6	6.6	8.9

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 127, Table 8.

SUMMARY AND CONCLUSION

Is polarization occurring within the black community? In this paper, we have examined data on an array of socioeconomic indicators in order to assess whether or not there is evidence of increasing polarization. The answer, at least from this initial investigation, does not appear to be a simple yes or no.

When we examine the changing distribution of educational attainment in the U.S., we find evidence not of polarization but of increasing homogeneity among blacks. A probe into the probability of unemployment and the average earnings returns to educational attainment also refutes the notion that blacks are becoming more differentiated by socioeconomic status.

On the other hand, we note a steady upward trend in the proportion of black males who do not participate in the labor force. Some would argue that this constitutes evidence of a growing underclass of blacks, an underclass of persons with low skills, little motivation, and few opportunities for employment who are increasingly differentiated from successful, well-educated, middle class blacks. An examination of the occupational prestige of blacks who are employed also suggests that polarization in the prestige of jobs held by those at the top and bottom of the occupational distribution is increasing.

Our examination of family income gives mixed results: The GINI Index of Income Concentration does not support the polarization thesis but the absolute dollar gap separating families at the first and third quartile of the income distribution has grown larger. An aspect of the thesis which is

clearly supported by data on per capita income and poverty is that differentiation by family type is increasing. Per capita well-being of persons in female headed families is declining relative to that among persons in husband-wife households. Particularly among blacks, the poverty population has become increasingly "feminized" during the last two decades.

This analysis points to at least three lines of needed future research. Our analyses have been presented either for the total population or for all persons 25 years of age and over. In order to examine whether socioeconomic differentiation is increasing among recent cohorts, detailed disaggregation by age would seem a logical next step. Secondly, an empirical analysis of longitudinal data is needed to assess the intergenerational transmission hypothesis embodied in assertions of a growing black underclass. Such analyses would compliment cross-sectional investigations of Current Population Survey data. Finally, more detailed investigation of the composition of the group of adult males who do not participate in the labor force is needed.

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